UNIVERSITY ACCOUNTING
I. **Unit Title:** University Accounting

**Unit Administrator:** Dan Nixon

II. **Data and information for department:**

**AUDITS**
We recently received our FY99 audit without any major findings and recommendations, and only a few immaterial and minor findings.

**GRANTS**
Grant funds increased another 29% for FY99. Since grant funds will probably increase each year, we probably should be looking to utilize a Grants Coordinator. In December 1999 we had Mr. Bob Galbraith who is Director of Contracts and Grants for the University of South Alabama come and spend a day with us looking at federal guideline requirements. After the meeting we developed a Grants and Contract check list (copy attached) for University Accounting to use in setting up new grants.

**PERKINS LOANS**
We have found that it will be more economical and efficient to out source our Perkins loan billing and collection process, and have contracted with A.F.S.A. to begin this processing as soon as all data can be transferred. Mrs. Kay Ware, on a part-time basis, will continue working with the program doing what is required on our end. The balance of her time will be given to working with Mrs. Becky Foster in the Bursars Office. Mrs. Margie Gladden who also works with Perkins, will fill a position in the Bursars Office.

**FINANCIAL REPORTING**
Financial reporting will change drastically beginning with FY02. Below is a list of those major changes.
1. The first part of the report will be the Management’s Discussion and analysis letter.
2. The report is made up of the three statements attached.
3. The cash flow will be a new statement for us.
4. Depreciation will be a major change.
5. Tuition discounts will also be a major change.
6. The reporting of the Foundation as a Component unit will also be new.

**FACTS AND FIGURES**
Two employees in accounts payable processed 11,670 invoice vouchers, which resulted in 16,963 checks amounting to $26,707,199.02 with $2,453 discounts taken.
Two employees in Accounting processed 924 journal vouchers amounting to $243,562,262 reconciled 36 bank statements, serviced grants amounting to 3.0 million, processed several hundred W-9 forms, 200 1099 forms, and worked with over 125 Deans, Department Heads, and Secretaries concerning budgets.

III. Personnel:

Noteworthy activities and accomplishments
1. Margaret Kelly, Grants and General Ledger Bookkeeper completed requirements for the Certified Bookkeeper Program through the American Institute of Professional Bookkeepers.
2. Jo Ellen Ferguson was hired to replace Denise Naron as Administrative Bookkeeper on February 21, 2000, position Number 1091.
3. Katie Bradshaw attends the Annual Travel Conference in Jackson each year. The conference is sponsored by the State Travel Agency.
4. Jo Ellen Ferguson, Margaret Kelly, and Dan Nixon attended a 3 day course in Basic Fund Accounting and Cash Flow in Jackson on April 3-5, 2000. The course was sponsored by SACUBO.
5. Dan Nixon attended the SCT Summit in March being updated on changes in banner software and upgraded in using the software.

New position(s) requested, with justification

None

Recommended change of status (such as promotion/tenure/change in responsibilities)

None as of 4/7/00

IV. Department Goals for 1999-00

A. Goal # 1:

Provide the Vice President for Financial Affairs with periodic and pertinent financial status reports.
B. Institutional Goal which was supported by this goal:
   (listed on page 9 in the 1999-00 DSU Bulletin)

Institutional Goal #12
Provide administrative services, which are effective and efficient in the support of
the Institutional Mission.

C. Expected Results: (What happens if the goal is met?)

1. Wise financial decision
2. A balanced budget and control of expenditures
3. Maintenance of adequate Fund balances

D. Evaluation Procedure(s): (How will you determine if this goal is met?)

1. Feedback from the Vice President
2. Analysis of Fund Balances
3. Annual Audit

E. Actual Results of Evaluation: (Explain if evaluation is not complete.)

1. Adequate fund Balance.
2. Clean Audit.

F. Use of Evaluation Results: (How were the results used to improve
   programs, operation, or services? Indicate if this led to a new goal for the
   next year.)

Continue to refine and improve reports.

V. Department Goals for 1999-00

A. Goal # 2:
   Provide reports and services needed by department heads and/or directors.

B. Institutional Goal which was supported by this goal:
   (listed on page 9 in the 1999-00 DSU Bulletin)

   #12 Same as Goal 1

C. Expected Results: (What happens if the goal is met?)
   Efficient and effective budget management by department heads.

D. Evaluation Procedure(s): (How will you determine if this goal is met?)
Daily feedback from departments plus the use of a survey/questionnaire. We did a survey in April, 1999- results attached.

E. **Actual Results of Evaluation:** (Explain if the evaluation is not complete)

Our last survey/questionnaire was sent in April, 1999. The overall average rating from 42 responses was 91%.

F. **Use of Evaluation Results:** (How were the results used to improve programs, operation, or services? Indicated if this led to a new goal for the next year.)

Departmental meeting to analyze and discuss survey/questionnaire, deal with weaknesses and suggestions for improvements.

VI. **Department Goals for 1999-00**

A. **Goal # 3:**
Provide atmosphere of encouragement and recognition for departmental personnel.

B. **Institutional Goal which was supported by this goal:**
(listed on page 9 in the 1999-00 DSU Bulletin)

#12 Same as Goal 1

C. **Expected Results:** (What happens if the goal is met?)
1. High employee morale
2. Job satisfaction
3. Co-operation among employees

D. **Evaluation Procedure(s):** (How will you determine if this goal is met?)

Annual self-appraisal questionnaire and evaluation. This will be the sixth year we have done the evaluations.

E. **Actual Results of Evaluation:** (Explain if the evaluation is not complete)

There continues to be a desire to improve in certain areas and appreciation for noted accomplishments in others.

F. **Use of Evaluation Results:** (How were the results used to improve programs, operation, or services? Indicated if this led to a new goal for the next year.)
A continuing use of these tools improving with experience.

VII. Department Goals for 1999-00

A. Goal # 4:  
   To keep abreast of changes in tax laws, financial reporting requirements, and board reporting.

B. Institutional Goal which was supported by this goal:  
   (listed on page 9 in the 1999-00 DSU Bulletin)
   
   #12 Same as Goal 1

C. Expected Results: (What happens if the goal is met?)  
   1. Clean Audits  
   2. No tax complications  
   3. Satisfy board needs

D. Evaluation Procedure(s): (How will you determine if this goal is met?)  
   1. NACUBO’s monthly publication, “Business Officer”  
   2. Annual SACUBO workshop  
   3. SCT/TCP conference  
   5. Annual audit  
   6. SACUBO special workshops

E. Actual Results of Evaluation: (Explain if the evaluation is not complete)
   
   We have become aware of the following requirements:  
   1. Financial Reporting changes in financial reporting. Four things involved are depreciation of fixed assets, cash flow statements, and the entity wide financial report along with the management’s discussion and analysis letter. These are effective with FY02  
   2. Banner software available for application.  
   3. Monthly newsletter notes latest changes in tax areas.

F. Use of Evaluation Results: (How were the results used to improve programs, operation, or services? Indicated if this led to a new goal for the next year.)  

   Procedures are put in place as changes come about to be sure all areas are covered. This is a daily and continuing task.
VIII. Department Goals for 1999-00

A. Goal #5:
   To make full use of Banner Financial Accounts system software

B. Institutional Goal which was supported by this goal:
   (listed on page 9 in the 1999-00 DSU Bulletin)

   #12 Same as Goal 1

C. Expected Results: (What happens if the goal is met?)
   1. We plan to implement the Fixed Asset Module by January 1, 2001.
   2. Banner bank reconciliation program for payroll account will be used first
time for January 1999.
   3. We will be looking at online receiving and stores inventory next.

D. Evaluation Procedure(s): (How will you determine if this goal is met?)
   Regularly reviewing these goals.

E. Actual Results of Evaluation: (Explain if the evaluation is not complete)

   A continued effort to implement all of Banner software practical.
   We are now using banner bank reconciliation software. We are working on
   receiving and fixed assets.

F. Use of Evaluation Results: (How were the results used to improve programs,
   operation, or services? Indicated if this led to a new goal for the next year.)

   There are several Banner applications we want to look at after above or
   complete.
   1. Cost Accounting system (project accounting)
   2. Grant Accounting
   3. Archive module
   4. Accrued leave
   5. Refining position budgeting
IX. Department Goals for 1999-2000

A. Goal # 6:
Work closer with departments on campus that are responsible for handling cash and inventories providing them with proper procedure and audits.

B. Institutional Goal which was supported by this goal:
(listed on page 9 in the 1999-00 DSU Bulletin)

#12 Same as Goal 1

C. Expected Results: (What happens if the goal is met?)
More control over inventories and cash receipts, with better audit trail.

D. Evaluation Procedure(s): (How will you determine if this goal is met?)
Daily, weekly, monthly review cash and/or inventory reports.

E. Actual Results of Evaluation: (Explain if the evaluation is not complete)
Control over cash and inventories

F. Use of Evaluation Results: (How were the results used to improve programs, operation, or services? Indicated if this led to a new goal for next year.)
Satisfy auditors with relevant procedures and practices and with better audit trail.
1. Provide Vice President for Financial Affairs with periodic and pertinent financial status reports.

2. Provide reports and services needed by department heads and/or program directors.

3. Provide atmosphere of encouragement and recognition for departmental personnel.

4. Keep abreast of changes in tax laws and financial reporting requirements.


6. Work closer with departments on campus that are responsible for handling cash and inventories providing them with proper procedures and audits.
### Delta State University

#### Unit Budget Plan

#### FY 2001 Budget

#### AS OF 07-MAR-2000

**ORGANIZATION:** University Accounting  
**FUND:** Unrestricted General Fund

<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th>ACCOUNT DESCRIPTION</th>
<th>PRIOR YEAR</th>
<th>PHASE 1: ADJ BUD</th>
<th>PHASE 2: CHANGE</th>
<th>PHASE 3: APPROVED</th>
<th>PRIORITY</th>
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**Delta State University**

Unit Budget Plan

FY 2001 Budget

AS OF 07-MAR-2000

**Organization:** 4101  University Accounting

**Fund:** 10  Unrestricted General Fund

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<tr>
<th>PRIOR YEAR</th>
<th>PHASE 1: ADJBUD</th>
<th>PHASE 2: CHANGE</th>
<th>PHASE 3: APPRVD</th>
<th>PRIORITY</th>
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**Justification:**

1. Increase Travel Requirements Due to Financial Reporting Changes Coming up Next Year.

**Program Total:**

<table>
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<tr>
<th>Description</th>
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<th>2000</th>
<th>Change</th>
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<tr>
<td>Total Labor</td>
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<tr>
<td>Total Expense</td>
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### Delta State University

**Unit Budget Plan**

**FY 2001 Budget**

**AS OF 07-MAR-2000**

**ORGANIZATION**: University Accounting  
**FUND**: 4101  
**Fund Description**: University Accounting

**FUND TOTAL**:

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<th>Amount 2001</th>
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<td>Total Transfers</td>
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<tr>
<td>Total Net</td>
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**ORGANIZATION TOTAL**:

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<th>Description</th>
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<th>2000 Adj Budget</th>
<th>Amount Request</th>
<th>Amount 2001</th>
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<tr>
<td>Total Revenue</td>
<td>458,000.00</td>
<td>411,366.00</td>
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<td>31,493.00</td>
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<td></td>
<td>Dodd, Linda Suzanne</td>
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** FUND 10 TOTAL **

150,155   149,809   38,469

** ORGN TOTAL ***

150,155   149,809   38,469
THINGS TO LOOK FOR IN SETTING UP BUDGETS FOR GRANTS

1. Award Letter

2. Project beginning and ending dates ________ to ________

3. Approved budget

4. Copy of Proposal (if practical)

5. Copy of Guidelines (other than below)

6. Funding (Circle one)
   Federal  State  Local  Private  Other

7. IF FEDERAL:  C.F.D.A. NO.________
   Which guidelines outside of grant apply (example A-21, A133, A110)?
   Any other agency specific? (EX: DOE-EDGAR)____________

8. Title of Project

9. Project Director

10. Project Types: (Circle one in each column)

    New                   Instruction                  Grant
    Renewal               Research                      Contract
    Continuation          Public Service               Subcontract
    Supplement            Other_______                   Other_______

11. Special Guidelines related to Travel
    YES; What are they?____________________________________
    NO

12. Special Guidelines related to Equipment
    YES; What are they?____________________________________
    NO

13. Personnel involved as specified in proposal and approved budget *

   Names  Period  In-Kind  Overload
   $      $       $       $       $       $

*Must be written into Grant and approved up front.
### Exhibit 5.1
Functional Format

**ABC University**

**Statement of Revenues, Expenses, and Changes in Net Assets**

**for the Year Ended June 30, 2002**

---

Operating expenses may be displayed using either object or functional classification.

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<th>REVENUES</th>
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<th>&quot;Component Unit Hospital&quot;</th>
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<td></td>
</tr>
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<td>Student tuition and fees (net of scholarship allowances of $3,214,454)</td>
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</tr>
<tr>
<td>Patient services (net of charity care of $5,114,352)</td>
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<td>State and local grants and contracts</td>
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<tr>
<td>Nongovernmental grants and contracts</td>
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<td>Sales and services of educational departments</td>
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<td>Auxiliary enterprises:</td>
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<tr>
<td>Residential life (net of scholarship allowances of $428,641)</td>
<td>28,079,274</td>
<td>—</td>
</tr>
<tr>
<td>Bookstore (net of scholarship allowances of $166,279)</td>
<td>9,092,363</td>
<td>—</td>
</tr>
<tr>
<td><strong>Other operating revenues</strong></td>
<td>143,357</td>
<td>421,571</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>86,773,343</td>
<td>54,194,515</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>&quot;Primary Institution&quot;</th>
<th>&quot;Component Unit Hospital&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educational and General</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>35,487,341</td>
<td>9,066,255</td>
</tr>
<tr>
<td>Research</td>
<td>18,534,031</td>
<td>9,899,876</td>
</tr>
<tr>
<td>Patient services</td>
<td>—</td>
<td>15,386,436</td>
</tr>
<tr>
<td>Public Service</td>
<td>453,254</td>
<td>2,362,346</td>
</tr>
<tr>
<td>Academic support</td>
<td>10,159,553</td>
<td>3,567,759</td>
</tr>
<tr>
<td>Student services</td>
<td>3,834,566</td>
<td>—</td>
</tr>
<tr>
<td>Institutional support</td>
<td>11,889,712</td>
<td>3,937,236</td>
</tr>
<tr>
<td>Operations and maintenance of plant</td>
<td>5,790,216</td>
<td>2,350,017</td>
</tr>
<tr>
<td>Depreciation</td>
<td>6,847,377</td>
<td>3,865,411</td>
</tr>
<tr>
<td>Student Aid</td>
<td>495,683</td>
<td>3,733,258</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential life</td>
<td>23,908,990</td>
<td>—</td>
</tr>
<tr>
<td>Bookstore</td>
<td>7,969,663</td>
<td>—</td>
</tr>
<tr>
<td><strong>Other expenditures</strong></td>
<td>28,417</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>126,398,803</td>
<td>54,170,594</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>(39,625,460)</td>
<td>23,921</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
<th>&quot;Primary Institution&quot;</th>
<th>&quot;Component Unit Hospital&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>39,760,508</td>
<td>—</td>
</tr>
<tr>
<td>Gifts</td>
<td>1,822,442</td>
<td>—</td>
</tr>
<tr>
<td>Investment income (net of investment expense of $87,316 for the primary institution and $19,823 for the hospital)</td>
<td>2,182,921</td>
<td>495,594</td>
</tr>
<tr>
<td>Interest on capital asset-related debt</td>
<td>(1,330,129)</td>
<td>(34,538)</td>
</tr>
<tr>
<td><strong>Other nonoperating revenues</strong></td>
<td>313,001</td>
<td>321,449</td>
</tr>
<tr>
<td><strong>Net nonoperating revenues</strong></td>
<td>42,748,746</td>
<td>782,055</td>
</tr>
<tr>
<td>Income before other revenues, expenses, gains, or losses</td>
<td>3,123,286</td>
<td>805,426</td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>2,075,759</td>
<td>—</td>
</tr>
<tr>
<td>Capital grants and gifts</td>
<td>690,813</td>
<td>711,619</td>
</tr>
<tr>
<td>Additions to permanent endowments</td>
<td>85,203</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total other revenues</strong></td>
<td>2,851,786</td>
<td>711,619</td>
</tr>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>5,975,052</td>
<td>1,518,045</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>&quot;Primary Institution&quot;</th>
<th>&quot;Component Unit Hospital&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets—beginning of year</td>
<td>168,645,726</td>
<td>45,900,375</td>
</tr>
<tr>
<td>Net assets—end of year</td>
<td>$174,620,778</td>
<td>$47,418,420</td>
</tr>
</tbody>
</table>
### ABC University

**Statement of Revenues, Expenses, and Changes in Net Assets**

**For the Year Ended June 30, 2002**

#### Operating expense may be displayed using either object or functional classification.

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Primary Institution</th>
<th>Component Unit Hospital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student tuition and fees (net of scholarship allowances of $3,214,454)</td>
<td>$36,913,194</td>
<td>$ —</td>
</tr>
<tr>
<td>Patient services (net of charity care of $5,114,352)</td>
<td>—</td>
<td>46,296,957</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>10,614,660</td>
<td>—</td>
</tr>
<tr>
<td>State and local grants and contracts</td>
<td>3,036,953</td>
<td>7,475,987</td>
</tr>
<tr>
<td>Nongovernmental grants and contracts</td>
<td>873,740</td>
<td>—</td>
</tr>
<tr>
<td>Sales and services of educational departments</td>
<td>19,802</td>
<td>—</td>
</tr>
<tr>
<td>Auxiliary enterprises:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residual life (net of scholarship allowances of $428,641)</td>
<td>28,079,274</td>
<td>—</td>
</tr>
<tr>
<td>Bookstore (net of scholarship allowances of $166,279)</td>
<td>9,092,363</td>
<td>—</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>143,357</td>
<td>421,571</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>88,773,343</td>
<td>54,194,515</td>
</tr>
</tbody>
</table>

#### EXPENSES

<table>
<thead>
<tr>
<th>Operating expenses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries:</td>
</tr>
<tr>
<td>Faculty (physicians for the hospital)</td>
</tr>
<tr>
<td>Exempt staff</td>
</tr>
<tr>
<td>Nonexempt wages</td>
</tr>
<tr>
<td>Benefits</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
</tr>
<tr>
<td>Utilities</td>
</tr>
<tr>
<td>Supplies and other services</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
</tr>
</tbody>
</table>

**Operating income (loss)**

| (39,625,460) | 23,921 |

#### NONOPERATING REVENUES (EXPENSES)

| State appropriations | 39,760,508 | — |
| Gifts | 1,822,442 | — |
| Investment income (net of investment expense of $87,316 for the primary institution and $19,823 for the hospital) | 2,182,921 | 495,594 |
| Interest on capital asset-related debt | (1,330,126) | (34,538) |
| **Other nonoperating revenues** | 313,001 | 321,449 |

**Net nonoperating revenues**

| 42,748,746 | 782,505 |

**Income before other revenues, expenses, gains, or losses**

| 3,122,286 | 806,426 |

**Capital appropriations**

| 2,075,750 | — |

**Capital grants and gifts**

| 690,813 | 711,619 |

**Additions to permanent endowments**

| 85,203 | — |

**Increase in net assets**

| 5,975,052 | 1,518,045 |

#### NET ASSETS

| Net assets—beginning of year | 168,645,726 | 45,900,375 |
| Net assets—end of year | 174,620,778 | 47,418,420 |
ABC University
Statement of Net Assets
June 30, 2002

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Primary Institution</th>
<th>Component Unit Hospital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents $4,571,218</td>
<td>$977,694 (a)</td>
<td></td>
</tr>
<tr>
<td>Short-term investments $15,278,981</td>
<td>$2,248,884 (b)</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net $6,412,520</td>
<td>$9,529,196</td>
<td></td>
</tr>
<tr>
<td>Inventories $585,874</td>
<td>$1,268,045</td>
<td></td>
</tr>
<tr>
<td>Deposit with bond trustee $4,254,341</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Notes and mortgages receivable, net $359,175</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Other assets $432,263</td>
<td>$426,427 (b)</td>
<td></td>
</tr>
<tr>
<td>Total current assets $31,894,372</td>
<td>$14,450,426</td>
<td></td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td>$24,200 (a)</td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents $21,548,723</td>
<td>$— (b)</td>
<td></td>
</tr>
<tr>
<td>Endowment investments $2,055,323</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Notes and mortgages receivable, net $6,426,555</td>
<td>$6,441,710</td>
<td></td>
</tr>
<tr>
<td>Other long-term investments</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Investments in real estate</td>
<td>$32,602,940 (b), (d)</td>
<td></td>
</tr>
<tr>
<td>Capital assets, net (Note 1) $158,977,329</td>
<td>$189,012,130 (b), (d)</td>
<td></td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>$39,063,150</td>
<td></td>
</tr>
<tr>
<td>Total assets $220,906,502</td>
<td>$53,513,396</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>Primary Institution</th>
<th>Component Unit Hospital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities $4,897,470</td>
<td>$2,911,419 (b)</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue $3,070,213</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Long-term liabilities—current portion (Note 2) $4,082,486</td>
<td>$893,321 (b)</td>
<td></td>
</tr>
<tr>
<td>Total current liabilities $12,050,169</td>
<td>$3,900,740</td>
<td></td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits $1,124,128</td>
<td>$— (b)</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue $1,500,000</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Long-term liabilities (Note 2) $31,611,427</td>
<td>$2,194,236 (b), (c)</td>
<td></td>
</tr>
<tr>
<td>Total noncurrent liabilities</td>
<td>$34,235,555</td>
<td></td>
</tr>
<tr>
<td>Total liabilities $46,285,724</td>
<td>$6,094,976</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS</th>
<th>Primary Institution</th>
<th>Component Unit Hospital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets, net of related debt $126,861,400</td>
<td>$32,199,938 (f)</td>
<td></td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonexpendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships $10,829,473</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Research $3,767,564</td>
<td>$2,286,865</td>
<td></td>
</tr>
<tr>
<td>Expendable:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scholarships and fellowships $2,803,756</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Research $5,202,732</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Instructional department uses $938,571</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Loans $2,417,101</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Capital projects $4,952,101</td>
<td>$913,758</td>
<td></td>
</tr>
<tr>
<td>Debt service $4,254,341</td>
<td>$152,947</td>
<td></td>
</tr>
<tr>
<td>Other $403,632</td>
<td>$—</td>
<td></td>
</tr>
<tr>
<td>Unrestricted $12,180,107</td>
<td>$11,864,912</td>
<td></td>
</tr>
<tr>
<td>Total net assets $174,620,778</td>
<td>$47,418,420</td>
<td></td>
</tr>
</tbody>
</table>

Exhibit 5.3
ABC University  
Statement of Cash Flows  
For the Year Ended June 30, 2002

<table>
<thead>
<tr>
<th>Description</th>
<th>Primary Institution</th>
<th>Component Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees</td>
<td>$ 33,628,945</td>
<td>$</td>
</tr>
<tr>
<td>Research grants and contracts</td>
<td>13,884,747</td>
<td></td>
</tr>
<tr>
<td>Payments from insurance and patients</td>
<td></td>
<td>18,582,530</td>
</tr>
<tr>
<td>Medicaid and Medicare</td>
<td></td>
<td>31,640,524</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(28,175,500)</td>
<td>(13,084,643)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(87,233,881)</td>
<td>(32,988,044)</td>
</tr>
<tr>
<td>Loans issued to students and employees</td>
<td>(384,628)</td>
<td></td>
</tr>
<tr>
<td>Collection of loans to students and employees</td>
<td>291,642</td>
<td></td>
</tr>
<tr>
<td>Auxiliary enterprise charges:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residence halls</td>
<td>26,327,644</td>
<td></td>
</tr>
<tr>
<td>Bookstore</td>
<td>8,463,939</td>
<td></td>
</tr>
<tr>
<td>Other receipts (payments)</td>
<td>1,415,502</td>
<td>(997,502)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</strong></td>
<td>(31,781,390)</td>
<td>3,152,865</td>
</tr>
<tr>
<td>State appropriations</td>
<td>39,388,534</td>
<td></td>
</tr>
<tr>
<td>Gifts and grants received for other than capital purposes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private gifts for endowment purposes</td>
<td>85,203</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flows provided by noncapital financing activities</strong></td>
<td>39,473,737</td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from capital debt</td>
<td>4,125,000</td>
<td></td>
</tr>
<tr>
<td>Capital appropriations</td>
<td>1,918,750</td>
<td></td>
</tr>
<tr>
<td>Capital grants and gifts received</td>
<td>640,813</td>
<td>711,619</td>
</tr>
<tr>
<td>Proceeds from sale of capital assets</td>
<td>22,335</td>
<td>5,066</td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td>(8,420,247)</td>
<td>(1,950,410)</td>
</tr>
<tr>
<td>Principal paid on capital debt and lease</td>
<td>(3,788,102)</td>
<td>(134,095)</td>
</tr>
<tr>
<td>Interest paid on capital debt and lease</td>
<td>(1,330,126)</td>
<td>(34,538)</td>
</tr>
<tr>
<td><strong>Net cash used by capital and related financing activities</strong></td>
<td>(6,831,577)</td>
<td>(1,402,358)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td>16,741,252</td>
<td>2,843,124</td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>2,111,597</td>
<td>70,501</td>
</tr>
<tr>
<td>Interest on investments</td>
<td>(17,680,113)</td>
<td>(4,546,278)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by investing activities</strong></td>
<td>1,172,726</td>
<td>(1,632,653)</td>
</tr>
<tr>
<td><strong>Net increase in cash</strong></td>
<td>2,033,306</td>
<td>117,854</td>
</tr>
<tr>
<td>Cash—beginning of year</td>
<td>2,562,112</td>
<td>878,340</td>
</tr>
<tr>
<td>Cash—end of year</td>
<td>$ 4,595,418</td>
<td>$ 996,194</td>
</tr>
</tbody>
</table>

| Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities: |  
| Operating income (loss)                                                      | $ (39,625,460)      | $ 23,921        |
| Adjustments to reconcile net income (loss)                                   | 6,847,377           | 2,976,212       |
| to net cash provided (used) by operating activities:                        | 1,295,704           | 330,414         |
| Depreciation expense                                                        | 37,284              | (160,922)       |
| Change in assets and liabilities:                                            |                     |                 |
| Receivables, net                                                            | 67,115              |                 |
| Inventories                                                                 | (136,229)           | 75,456          |
| Deposit with bond trustee                                                   | (323,899)           | (75,973)        |
| Other assets                                                                | 217,630             |                 |
| Accounts payable                                                            | (299,428)           |                 |
| Deferred revenue                                                            | 138,406             | (16,243)        |
| Compensated absences                                                        |                     |                 |
| **Net cash provided (used) by operating activities**                        | (31,781,390)        | 3,152,865       |

Note: The required information about noncash investing, capital, and financing activities is not illustrated.
Memorandum

Office of Institutional Research and Planning

To: Mr. Dan Nixon, Director of University Accounting

From: Lisa Giger, Assessment Analyst

Date: May 12, 1999

Reference: University Accounting Survey

Our office has compiled and analyzed the data of the University Accounting Survey. Enclosed are the results and an executive summary. If you have any questions, please call (4053).

Thank you.
Office of Institutional Research and Planning  
Delta State University  

University Accounting Survey  

Executive Summary  

The purpose of this survey was to investigate administrative use and level of satisfaction with University Accounting. In order to sample the administrative staff, our office sent a questionnaire to all administrative personnel. Of the 70 surveys that were mailed, 42 were returned, which brought the response rate to sixty percent.  

The survey revealed that nearly all administrators (93%) felt the University Accounting staff understood requests for information and service and was able to resolve problems with budgets, expenditures, and other charges/credits. Eighty-six percent indicated that the staff provided adequate feedback on questions and problems.  

Seventy-five percent of the administrators indicated that the University Accounting staff provided routine reports and information required, and seventy-one percent felt that they provided special reports and information.  

Eighty-eight percent of the administrators indicated that the University Accounting staff paid vendor invoices for service or merchandise in a timely manner.  

Seventy-five percent of the administrators indicated that they set-up, report, and account for special grants or other special funds.  

Sixty-eight percent felt that the staff explained University accounting polices and procedures thoroughly, and sixty percent felt that the staff gave adequate training and support on new University accounting policies and procedures.  

Seventy-eight percent indicated that the University Accounting staff communicated well, and ninety-one percent felt that the staff maintained good working relationships with their office and with other offices on campus.  

The administrative level felt that the University Accounting staff is:  

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courteous/Friendly</td>
<td>91%</td>
</tr>
<tr>
<td>Professional</td>
<td>88%</td>
</tr>
<tr>
<td>Knowledgeable</td>
<td>96%</td>
</tr>
<tr>
<td>Efficient</td>
<td>92%</td>
</tr>
<tr>
<td>Accurate</td>
<td>88%</td>
</tr>
<tr>
<td>Helpful</td>
<td>93%</td>
</tr>
<tr>
<td>Available</td>
<td>91%</td>
</tr>
</tbody>
</table>

Of the 42 responses, sixty-five percent indicated they contacted the office on a weekly basis.
University Accounting Survey
Suggestions/Comments

1. What services could University Accounting provide to make your work more effective?

- Banner is an extremely difficult program.
- Make our office aware of budget code and charging changes.
- No suggestions
- Banner training
- Training on budget procedures
- A monthly report of all purchases/payments for my department.
- Training on new accounting policies and procedures
- I expect that the new BANNER will help.
- They do a great job!
- Not applicable
- Flexibility with budgets
- Keep us updated on changes in BANNER.
- Being available to respond to questions and advise when needed.

2. In what areas could University Accounting improve?

- A balance after each P.O.
- Communication
- Manner in which they deal with questions and problems. When there are changes in codes or procedures, they could be more understanding when we don't know.
- No suggestions
- Help us understand how to view current balances on computer screen compared to their hard copy balance
- Provide more specific, in-depth information on questions when asked
- I don't know.
- Not applicable
- Be less defensive. Allow the caller an opportunity to explain their problems.

3. Additional Comments/Suggestions.

- Annual or semi-annual 1-1 ½ workshop to update clerical staff on new or changed procedures.
- Nothing but good things to say about the “group”. But a rating scale is for the “pits” for evaluating a service such as this. With whom can we compare/contrast.
- The web site is helpful – a good idea!
- A memo to indicate when vendors have been paid.
- Dan and Margaret have been especially helpful to our office.
- They do excellent work with a limited number of staff.
- Does a fine job!
- Not applicable